

PROCEDURE 1270.12 Monitoring of Internal Controls Related To Information Technology (IT)

Issued December 22, 2003

SUBJECT: Monitoring of Internal Controls Related to Information Technology (IT).

APPLICATION: Executive Branch Departments and Sub-units.

PURPOSE: To prescribe guidelines for ensuring that proper internal controls are established and maintained over the use of IT.

CONTACT AGENCY: Office of Financial Management (OFM) and Department of Information Technology (DIT).

TELEPHONE: OFM - 517/373-1010 DIT – 517/241-2839

FAX: 517/373-6458

SUMMARY: State agencies are responsible for establishing and maintaining appropriate internal control over IT systems. To achieve this control the agencies will work in coordination with the OFM and DIT. OFM will maintain a framework for evaluating IT related controls (both General and Application) and will review and consult on agency plans to audit these controls. DIT will review, consult, and potentially assist on selected IT application control audits.

General controls are policies and procedures to help ensure the continued proper operation of IT systems. This includes controls over data center operations, network operating systems, and server farms; system software acquisition/maintenance; access security; and application system development and maintenance. General controls support the functioning of programmed application controls. The DIT internal auditor is primarily responsible for internal audits of general controls.

Application controls are defined as programmed procedures in application software and related business procedures/rules, designed to help ensure completeness and accuracy of information processing. Examples include computerized edit checks of input data, numerical sequence checks, and manual procedures to follow-up on items listed in exception reports. Internal Auditors of the other state agencies (potentially with assistance from the DIT Internal Auditor) are primarily responsible for internal audits of application controls.

APPLICABLE FORMS: None.

PROCEDURES:

Agencies:

- Develop, maintain, and monitor appropriate IT related controls.
- Forward planned internal audit activities focused at IT controls to OFM in accordance with Procedure 1270.13.

OFM and DIT Internal Audit:

- Develop, maintain and prescribe evaluation tools for ongoing monitoring of the state's IT infrastructure to maintain ongoing assurance regarding IT-related controls and to identify the need for change.

OFM:

- Maintain a framework for performing internal control evaluations, including IT related controls.
- Review and consult on overall internal audit plans and inform the DIT Internal Auditor of planned coverage focused at IT application controls.

DIT Internal Audit:

- Review, consult, and potentially assist on selected IT application control audits.

* * *

Procedure 1270.12